



City Light Review Panel Meeting Meeting Minutes

Date of Meeting: March 24, 2020 | 11:30AM – 1:00PM | Meeting held via Skype **"Draft"**

MEETING ATTENDANCE					
Panel Members:					
Names		Name		Name	
Gail Labanara	√	John Putz	√	Mikel Hansen	√
Sara Patton	√	Patrick Jablonski	√	Leon Garnett	√
Thomas Buchanan	√	Chris Mefford	√		
Staff and Others:					
Debra Smith	√	Jen Chan	√	Karen Reed (Consultant /RP Facilitator)	√
Kirsty Grainger	√	Mike Haynes		Emeka Anyanwu	
Jim Baggs		DaVonna Johnson		Tom DeBoer	
Julie Moore	√	Chris Ruffini		Maura Brueger	√
Saroja Reddy		Carsten Croff	√	Leigh Barreca	√
Eric McConaghy	√	Alex Pedersen		Kathryn Aisenberg	
Craig Smith		Toby Thaler	√	Angela Bertrand	√
Kathleen Wingers	√	Vanessa Lund	√		

Welcome\Introductions. Karen Reed, Panel Facilitator, called the meeting to order at 11:38 AM.

Public Comment. There was no public comment.

Review of Agenda Karen Reed, Panel Facilitator, reviewed the agenda.

Approval of Meeting Minutes. Gail suggested a correction to the meeting notes that read "keeping its critical IT systems in the past" should be edited to "keeping its critical IT systems in house". The meeting minutes were approved as amended.

Chairs Report. Gail asked if there was any response to CM Alex Pederson's email that was discussed at the last meeting. ***Leigh mentioned that she should provide the panel with the email exchange between Debra Smith and CM Pederson.***

Communications to Panel. There were no communications to the Panel.

SCL in the News/Updates. There were no news updates.

Updates to the Roadmap. There were no roadmap updates.

General Managers/CEO's Report.

Debra Smith shared a high-level summary of the City's response to COVID-19. She mentioned that City Light is working real-time, with the Governor's guidance, to develop a staffing plan to implement on Thursday. We are largely doing business as usual in generation and operations,



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while we finalize our planning of the Continuity of Operations Plan and capital projects planning. We have approximately 60 employees at SMT, who are mostly power marketers; most other staff are working from home.

Maintaining social distancing out in the field is becoming increasingly problematic. SCL is utilizing the City's 30-day personal vehicle exception so staff may drive their personal vehicles to work sites. We have also staged rigs more strategically to meet the COVID-19 guidelines.

Currently, we are maintaining our capital projects plan in rebuilding a turbine, as a part of our generation upgrades at Boundary. A General Electric contracted employee that was working on this project was taken away by ambulance. Their area is very remote and we're waiting to hear if their health issue is COVID-19 related.

Debra also mentioned that she is working jointly with SDOT, SPU, and the City Parks District to develop a 50/50 staffing plan for field employees. Half working, half 'hold' with 14 days on/14 days off, in adherence to the 14-day quarantine period. The target to launch 'citywide continuous operations plan' or 50/50 plan is Thursday.

Gail Labanara asked if SCL is paying those staff on 'hold'. Debra referenced the City's policy that directors can pay staff using "COVID-19 Pay". This pay can be used by 'risk populations' that self-identify and cannot be reassigned tele-work.

Debra mentioned that the City Budget Office (CBO) is already discussing the financial impacts of COVID-19. All city departments are working on budget cuts. Triggers that could impact SCL's revenue include reduced load, bad timing for refinancing bonds and more customer-owners may be utilizing UDP. City Light is finalizing a budget cut memo to eliminate non-essential spending.

We are also focusing on our capital spending rate and reviewing what is essential capital work. In addition, guidance right now is to complete the strategic plan. SPU is moving forward with their plan although they aren't as far along. Both SCL and SPU are coordinating on how best to include COVID-19 impacts into their plans. The rate trajectory may also change based on new forecasts and guidance from CBO.

Sara Patton asked if we should incorporate COVID-19 into the plan or if it was too late to add this as one of the futures we look at. Leigh mentioned that futures informed our priorities and we will have this event represented in the plan.

Chris mentioned that adding an initiative or whatever as an overlay topic "everything is done pre-COVID-19. We know that that will impact every aspect of the economy and SCL planning efforts will be done with that knowledge". It was suggested that we review all priorities based on that



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lens. Karen suggested the wording include “anticipated impacts of COVID-19 on initiative”. Chris said we should think of the economy on the trajectory end of virus plus three months to get back to ‘normal’ (not even recovery, just operations normalcy/new normal); then we can engage in rebuilding and recovery. Debra agreed and asked him to share a whitepaper Chris referenced that he recently completed for the Chamber of Commerce.

Sara referenced the state constitutional ban on gift of public funds and asked how it is being interpreted in terms of guiding public response to COVID-19. Debra mentioned that the state attorney general Bob Ferguson has released guidance to public entities about gift of public funds in our current situation. One has to demonstrate public good in the use of public funds and our response is about serving the public good.

Debra stated that we are not doing energy efficiency work as we usually do because we are not sending staff into people’s homes. Our contractors may not be able to keep their staff. Our Customer Energy Solutions employees are reaching out to our small business staff to help support customer needs.

Tom Buchanan stated that 14 days of self-quarantine is an excellent idea. Someone at Boeing in Everett died due to overwork; but this sounds like SCL is doing the right thing. Debra said we'll get official approval today and hopefully launch the staffing plan on Thursday.

Strategic Plan

Leigh stated that SCL is working with SPU on consistent language re: COVID-19 response for inclusion in their respective strategic plans. She introduced Vanessa Lund with the consulting firm of Cocker Fennessy; Vanessa is drafting the Plan. Karen asked Vanessa to walk through the draft for the group.

Vanessa said that the document in the meeting packets is not presented in final fancy layout; the focus is on content at this point. She is simultaneously working with a graphic designer to make it attractive. Vanessa walked through the plan section by section. Discussion points included:

Introductory Text

- Gail: There should be an introduction to scenario planning. This section seemed abrupt.
- Leigh: Leon is vice-chair (edit request)
- Sara: Energy: add the words ‘energy efficiency’ needs in the high-level description of priorities.,

Goal 1

- Sara: Financial stability IS glamorous.



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- Multiple: I agree. But also, it might not be glamorous but it's essential. Suggestion to replace this word.
- Gail: Will rate path be here?
 - Vanessa: No, it will be later in the document.
- Leigh: sidebar about Green New Deal will be included
 - Sara: I see the words 'energy efficiency' in build and maintain infrastructure. Make it clearly a part of this priority. Maybe that's in the sidebar. It's important as we balance electrification and energy efficiency.
- Leon: It would be good to mention assistance programs such as UDP and ELIA. There is good work happening it would be a shame to not include it in some way. Mention as part of Goal 3?
 - Leigh: These programs aren't new initiatives but should be included in the plan,
 - Vanessa: Good comment because it's such a fundamental part of SCL's work. Maybe it's another sidebar. They are very important programs now and especially moving forward
 - Sara: I agree we need to include UDP and I'm glad the words energy efficiency are there.
 - Gail: "Why lasting customer relationships" - you're a monopoly. Maybe adjust wording.

Goal 4:

- Gail: This would be a good place for COVID-14 adaptations to be mentioned.
- Sara: In the optimization of staffing, acknowledge/highlight that the workforce should match the community re: race/gender

Goal 5:

- Leigh: Keep the lights on. There are no initiatives under this Goal; it is about the utility's core business. The 11 initiatives in the plan are under Goals 1-4.
- Gail: I read this and thought about streetlight/pole accident. Call out the pole replacement program here especially since it got so much press.
- Sara: "Filling positions in a tight labor market" importance of workforce reflecting the community. Include that there as well. Make this a goal.

Addressing Ongoing revenue challenges

- Sara: Call out specifically new construction codes and standards and policies as part of energy efficiency success.
 - Gail: In the last plan didn't we talk about a four-plex in one house. Maybe talk about that here again?



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- Kirsty: We're working on this. We have a forecast. We're looking at the changes we're seeing in March and how to wrap that story in. The impact of the economy on our consumption is something we'll want to address here.
 - Karen: Are you seeing declines in usage in the past couple weeks?
 - Kirsty: Yes. In the beginning the cold weather masked it a bit. But we're seeing declines. 2% for sure, and now larger employers like Boeing are shutting down so that will affect it more.
- Mike Hansen: Back on metrics page early in the document. Why wouldn't we have targets going forward instead of actuals going backwards? It would be nice to have our targets going forward
 - Leigh: We set targets annually. We might be able to add 2020 targets. I will investigate adding the 2020 target as that might be more valuable.
 - Mike: Why can't we carry that forward? It's not a firm goal, but why not?
 - Kirsty: We have standard 'business as usual' metrics. We're not trying to trend/change them. We're trying to keep them steady. We're coming up with additional metrics for the initiatives that are focused on the changes you should be seeing.
 - Another part of the plan that is in progress is a link to the metrics associated with the initiatives.
 - Karen: If you set the metrics targets annually, note that to give context on why there isn't a look forward.
- John: Question regarding the rate path. Considering the effect of COVID-19 – are these rates going to be re-assessed? Do we want to put something out there that will be obsolete by the time people see it?
 - Karen: This might be a good place to talk about weaving in COVID-19 response. On the SPU side, the plan is to complete and deliver their plan regardless of if the Mayor/Council even pick them up on schedule. As time passes, we might dive back in to update the details in the plan. City Light is on the same trajectory.
 - Kirsty: John, you're right. With regard to forecasting, there will be a decline in consumption which results in upward rate pressure and we will also be pressured to lower rates. Another uncertainty is how we navigate recovery. How that will translate to rates is really hard to say with certainty right now.
 - John: What's the advisability of including actual numbers? Is it worth contingencies? If we can issue bonds that the feds will buy or is it so uncertain it's not even worth talking about?
 - Kirsty – Do you even know what the feds will do?
 - John – They are setting up funds.
 - Kirsty: We were scheduled to do a bond issue, but the viability of that is in question because of interest rates. This could impact cost of operations.



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- John: If this is a strategic plan, maybe the verbiage could include a list of potential issues and rate levers that may impact rates.
 - Karen: Do you think you could talk about possibly a topic list just to reference forward?
 - Kirsty: We're doing that, and we'll know more in a few months. It's not anything we'll have certainty about in the near future.
 - Patrick: This sounds great. I agree about including something like this.

Due to time, the consensus was to continue discussions for an additional 15-minutes and then allow the Review Panel members time to review the initiatives off-line and meet again, before the next Review Panel meeting on April 14th. Karen will create a template and send to the Panel members today so they may share their comments on scope/goals of the initiatives.

Leigh stated that the documents will be attached to the Strategic Plan document will be a shorter version of the templates in the Review Panel packet. It will not include information such as staff names or budget details.

- Top priority is creating the document to go with the plan. This would include a high-level description of each initiative, measures, goals, overview, and reasoning.
- Bearing in mind this is a 2021 plan, the real detail will be included in future months. This will be shared with the Panel and will be the basis for reporting going forward.

Eric McConaghy expressed a big thanks from the City to Review Panel for going above and beyond for this effort.

Sara thanked Chris Tantoco for helping the luddites.

Toby Thaler, from CM Pedersen's office, stated that people on the call correctly framed Councilmember Pederson's concerns about the rate path.

The meeting was adjourned at 1:15PM.